Institute of Statistical, Social and Economic Research (ISSER), University of Ghana

Title: Youth Entrepreneurship in the Mobile Telephony Sector in Accra, Ghana

Abstract

Liberalization of the telecommunications sector in 1995 brought about the emergence of private mobile telephony operators in Ghana. Ever since, the mobile telephony sector has witnessed tremendous growth in the number of subscribers to the various networks rising from around 1 million in 2004 to about 17.5 million in 2010. Correspondingly, there has also been a dramatic rise especially in the number of young people or the youth engaged in various businesses within the sector including the sale of mobile phones, sale of accessories, wholesale or retail of airtime or top-up units, recharging of mobile phones, repair of mobile phones, and mobile phone decoding. The literature on mobile telephony has mostly focused on the various uses to which mobile phones are put, with little attention given to the various entrepreneurial activities that engages the youth in the sector. Drawing on in-depth interviews conducted with young people running their own businesses as well a limited questionnaire administered to all entrepreneurs within four localities in the city of Accra, this paper explores the establishment and growth of businesses in the sector, competition and innovative strategies, and the hopes and future aspirations of these young business owners. The paper shows how for some of these people, staying in business is all about constantly adopting innovative strategies that keeps or increases their customer base. Given the rapidly changing nature of the mobile telephony sector, however, young people have to constantly adapt their business strategies in order to succeed.

Introduction

The mobile phone is argued to be the most rapidly disseminated technology in the history of the world (Arminen, 2007). Since the first commercially available mobile telephone networks were developed in the 1980s, coverage of the technology has increased rapidly in all parts of the world. Recently, however, the trend indicates a shift in terms of higher growth rates in the developing world compared the developed world (Scott et al., 2004). Consequently, the mobile phone is often argued to have closed the digital divide between developed and the developing world. Mobile telephone coverage has increased at a phenomenal rate in Africa. The first mobile

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phones were launched on the African continent a little over a decade ago; as of 1989 South Africa was the only country in Africa that had an operating mobile telephony network and it had fewer than 4,000 subscribers (ITU, 2010). Although it took seven years to achieve one million subscribers on the continent, by 2006 there were 100 million subscribers. By the close of 2008, the number of subscribers within the African continent had reached 246 million subscribers and some countries, such as South Africa, Botswana, Mauritius, and Seychelles, are on the verge of achieving full mobile population coverage (ITU, 2010). In Ghana, the first mobile telephone licence was issued in 1992. Although initially the number of subscribers was relatively low, the subscriber base has increased significantly especially over the past seven years. For instance, over the five year period from 2004 to 2010, figures released by the National Communications Authority indicate that the mobile telephone subscriber base increased from around 1 million to 17.5 million[1].

The growth in the mobile telephone usage worldwide has generated considerable research interest. While a sizeable amount of this research has adopted a sociological approach, focusing on the meanings people attach to mobile phones, how mobile phones are used and impact of mobile phones on social relations, other studies have investigated the economic impact of mobile phones on individuals and businesses (Okgman and Turtiainen, 2004; Boadi *et al.*, 2007; Brouwer and Brito, 2008; Donner, 2008; Overá, 2008, Campbell and Kwak, 2010; Law and Peng, 2008; Brouwer, 2010). Law and Peng's (2008) study, for instance, analysed how migrant workers in China are using their mobile phones to bring about improvements in their working conditions while Brouwer and Brito's (2008) study in Mozambique concluded that most people use their mobile phones mainly for social purposes. Within the Ghanaian context: Boadi *et al.,* (2007) provided evidence of the impact of mobile telephony usage on rural businesses; Overá (2008) focussed on how Ghanaian traders use their mobile phones in doing business; and Kwame and Slater (2005: 3) paid particular attention to how mobile phones are 'used to manage existing and embedded social networks, the complex family, business or social connections that constitute both resources and obligations'. Most of these studies, however, have failed to look into the various entrepreneurial activities within the mobile telephony sector. The only exception is Brouwer (2010) who examined the 'sale of airtime vouchers and the operation of mobile public phone kiosks in Maputo though he paid no attention to other entrepreneurial activities within

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[1] These figures should not be treated exclusively as access to mobile phones of the general population as it is quite common for many people in Ghana to subscribe to more than one network mainly due to cost of calls between and within networks.

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the mobile telephony sector. The importance of entrepreneurial activities within the mobile telephony sector especially for the youth is also missing.

This article therefore attempts to contribute to filling the gaps that exist with regard to knowledge about the various youth entrepreneurial activities within the mobile telephony sector especially within an African city perspective. I start by discussing the methodological procedures in researching this fertile area after which I situate the youth within the wider socio-economic context of Ghana. I move on to discuss liberalisation policies within the telecommunications sector and the emergence and growth of the mobile telephony sector. The remainder of the paper focuses typical entrepreneurial activities within the mobile telephony sector.

Research Methodology

Without any comprehensive study on youth businesses in the mobile telephony sector in the country, selection of good methodological procedures are key for ensuring adequate representation of reality. The city of Accra is selected as case study due to its cosmopolitan nature and especially due to the fact that the city is the main centre of business in Ghana. The distribution of mobile telephony businesses are widely spread across the city, albeit concentration between localities varies significantly. As there is no reliable information on mobile telephony businesses in the city of Accra, to start with, a detailed mapping   exercise was conducted from December 2010 to February 2011. The mapping exercise was mainly observatory in nature although some interactions were conducted with some knowledgeable entrepreneurs within the sector.

Three key questions guided the mapping exercise involving the question of 'where', 'how' and 'what'. The question of 'where' was used to elicit information on the location of mobile telephony businesses within the city. As a result, several localities were visited in the city to observe and identify the varied range of business activities within each of the localities visited. After visiting each locality, the *'how'* question is then used to gather information on the concentration of business activities within visited localities. The *'what'* question is used to make clear distinctions in concentration and the type of activities in each of the localities visited. This is to inform the selection of localities that will be representative of all mobile telephony business activities within the city of Accra. After the mapping exercise, four localities were selected for the

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study- Kwame Nkrumah Circle (Tip –Toe area), Madina (Market area), Tema Lorry Station (Accra Central), and Kaneshie Lorry Station.

Kwame Kkrumah Circle (Tip-Toe Area)

Three key reasons informed the selection of *Kwame Kkrumah Circle (Tip-Toe Area)* for the study. Firstly, the area over the past decade has gradually developed into the main cluster of mobile telephony business activities in the city of Accra. All mobile telephony businesses such as sale of mobile phones (both new and used), mobile phone repair, sale of top-up units and accessories and mobile phone decoding are well represented in the area. The only activity absent in the area is mobile phone battery recharging. However, this loss is compensated by the selection of Kaneshie Lorry Station (see details below).

Secondly, the area has a fair representation of the varied range or size of business activities in terms of concentration. A cursory observation of activities in the area revealed business activities being run within permanent structures such as shops of various sizes, non-permanent or mobile structures (top of tables, glass cabinets/boxes, and car booths) as well as those that are run from no structures at all, such as hand-held.

Thirdly, aside the traditional central business district (CBD) of central Accra, the Kwame Kkrumah Circle area is classified as another central business district in Accra, with varied range of services present in the area (Grant and Yankson, 2003). Although the traditional CBD of Accra is not selected for the study[2], Kwame Nkrumah Circle area serves as a good representation of functions that can be identified any CBD in Accra.

Madina (Market Area)

Madina is a rapidly expanding suburb of Accra located outside the main city centre and serves a distinct geographical enclave. The area has good representation of mobile telephony businesses (sale of mobile phones, mobile phone repair, sale of airtime or top-up units and accessories and mobile phone decoding) in the city of Accra, and the different scales of operation are represented as well. Although not as clustered at the Kwame Nkrumah Circle area, the good

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[2] The traditional CBD of Accra is not selected for the study due to the sparse concentration of mobile telephony activities in the area compared to the Circle Tip-Toe area. In addition, most of the activities identified in central Accra are very well represented in the Circle Tip-Toe area.

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representation of the various mobile telephony activities as well as the scale or size of operation of these activities informed the selection of Madina.

Kaneshie Lorry Station

Kaneshie Lorry Station was selected for its speciality in terms of mobile phone recharging as a business activity. In addition, the area has a good concentration of businesses involved in sale of mobile telephone top-up units or airtime. Of all the different areas visited during the selection process, the Kaneshie Lorry Station was identified as unique in terms of concentration of mobile telephone recharging businesses mainly serving the needs of market women and shoppers, drivers and their assistants, and travellers.

Tema Station (Accra Central)

Tema Station is located in Central Accra and the station is specialised with regard to the concentration of mobile telephone accessory sales, as well as sale of top-up units. What is particularly unique about this area is that although those that sell mobile telephone units mainly operate on top of tables under umbrellas, sale of mobile telephone accessories is mostly operated on push trucks. Operating mobile telephony businesses on push trucks was not identified in any of the areas visited in the city of Accra during the selection process for the study.

After selection of the four localities, a limited questionnaire was administered to all mobile telephony business owners within the localities. This is to obtain information about the number of youth run mobile telephony businesses within the localities and some background information about the business owners. Added to the above, twenty-five in-depth interviews were conducted with entrepreneurs representing the various entrepreneurial activities within the sector. Table 1 presents details about the number of in-depth interviews conducted per locality.

Table 1: Number of In-depth Interviews by Locality

Locality	Number of In-depth Interviews
Kwame Nkrumah Circle	9
Madina (Market Area)	6
Kaneshie Lorry Station	5
Tema Station (Accra)	5
Total	**25**

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Liberalisation Policies and the Emergence of the Mobile Telephony Sector

Reforms in the telecommunications sector in Ghana were initiated in 1993/94 as part of the market reforms under the Economic Recovery Programme/Structural Adjustment Programme (ERP/SAP) launched in Ghana in 1983. However, inception of these reforms actually begun in 1994 with the launch of the 5-year Accelerated Development Plan with its main objectives as follows: ensure sustained improvement in the availability, reliability, and quality of communication services; expand employment avenues within the telecommunications sector; improve public access to telecommunications services in both rural and urban localities through establishment of payphones and mobile telephony facilities; and to ensure affordable and competitive tariffs that confer economic returns to operators (Frempong, 2002). As part of the strategies for achieving these objectives, a programme of liberalisation of value added services, mobile cellular telephone services, data transmission, paging and payphones were implemented.

Undoubtedly, liberalisation and privatisation policies implemented as part of the telecommunications sector reforms paved the way for the emergence of private mobile telephony operators in Ghana. It is worth noting that licensing of mobile telephony operators actually begun in 1992 prior to the promulgation of the National Communications Authority Act (Act 524) in 1996 which brought about the establishment of the National Communications Authority (NCA), the regulator.

A critical look at the mobile telecommunications sector since the implementation of the liberalisation and privatisation policies indicates the dominance of multinational companies within the sector. The first operator to be licensed was Milicom Ghana Ltd, a subsidiary of Millicom South Africa and the company begun its operations in 1992/1993 with 'Mobitel' as its network name. Currently, the company is operating as TIGO. Celltel Ghana Limited which later transformed into Kasapa Ghana Ltd (a joint venture between Kludjeson International and Hutchinson Whampoa of Hong Kong), but currently operating as Expresso begun operating in 1995. In the same year, Scancom Ghana Limited then operating as Spacefon, but currently operating as MTN started its operations. In 2001, Vodafone Ghana (formally Ghana Telecom) introduced its mobile telephone service under the network name One Touch. Currently, the company is operating as Vodafone as a result of a 70 percent takeover by Vodafone group. Airtel Ghana Ltd (a subsidiary of Bharti Airtel Limited and formally Zain Ghana Limited) was licensed in 2008, but started operating in 2009. The sixth operator, Glo Mobile Ghana Limited (a

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subsidiary of Globacom Limited) was licensed under the network name Glo in 2008 but yet to rollout its services.

Growth within sector in terms of the number of subscribers to the various networks has consistently been on the increase over the years. For instance, from just 1,700 in 1993, the total number of subscribers increased to about 75,000 in 1999 (Frempong, 2002). Furthermore, over the five year period of 2004-2009, the total number of subscribers increased from around 1 million to about 17.5 million representing a percentage change of over 5000 (See table 1). MTN is currently the biggest operator with 50 percent of the total subscriber base followed by TIGO (22.9%) and Vodaphone (15.6%) as of 2010. It is interesting to note that Airtel which started operating in 2009 managed to attract over 1.2 million subscribers in the very first year of operation and this increased to over 1.7 million in 2010.

Growth in the number of subscribers to the various networks has corresponded with the number of people, predominantly the youth engaged in various business activities within the sector. For instance, out of a total of 523 mobile telephony businesses identified in the four study localities, 445 (85%) are within the age category of 15-35. The number of businesses established by the youth within the four localities under study has been increasing especially over the past 7 years (See figure 1). 2.8 percent of the total number of youth businesses identified in the four study localities were established in 2004. However, this percentage increased to 8.9 percent in 2006, 13.9 percent in 2008 and further increased significantly to 27.3 percent in 2010. Out of the 445 youth businesses identified in the four study localities, 88 percent were owned by men. Clearly, this gives indication of the dominance of men within the sector. Among the study localities, the Kwame Nkrumah Circle area is the most dominant in terms of concentration of youth businesses in the mobile telephony sector with 52.4[3] percent of the identified businesses. This is followed by Madina with 26.5 percent of businesses, Kaneshie Lorry station (12.6%) and Tema Station (8.5%).

Characteristically, majority (42%) of the youth-run mobile telephony businesses in the study localities are self employed businesses without employees while 27 percent employ an additional labour and about 17 percent employ two additional labour (see figure 2).

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[3] The 233 youth businesses identified in the Circle area is exclusive of the youth who sell their products in hand. These people could not be listed since they do not operate from fixed locations. However, a head count of this group revealed about 212 people made up of 176 men and 36 women.

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Table 2: Growth in Subscriber Base of Mobile Telephone Networks, 2004-2010

Provider	2004	2005	2006	2007	2008	2009	2010	% change between 2004 & 2010
Scancom (MTN)	630,000	1,600,000	2,585,467	4,016,132	6,428,218	8,000,946	8,721,249	1,284.30
Millicom (Tigo)	244,000	530,000	1,546,721	2,023,091	2,887,937	3,420,354	3,999,262	1,539.00
VODAFONE (GT-One Touch)	123,000	492,095	877,106	1,275,764	1,592,451	2,132,119	2,722,364	2,113.30
KASAPA	50,097	75,000	200,104	289,066	394,051	262,259	239,815	378.7
AIRTEL	-	-	-	-	-	1,293,238	1,754,259	35.6[4]
Total	**1,047,097**	**2,697,095**	**5,209,398**	**7,604,053**	**11,302,657**	**15,108,916**	**17,436,949**	**5,351**

Source: National Communication Authority and Authur's own calculation

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[4] AIRTEL started operating in Ghana in 2009. The percentage change is therefore calculated only over the period 2009 and 2010
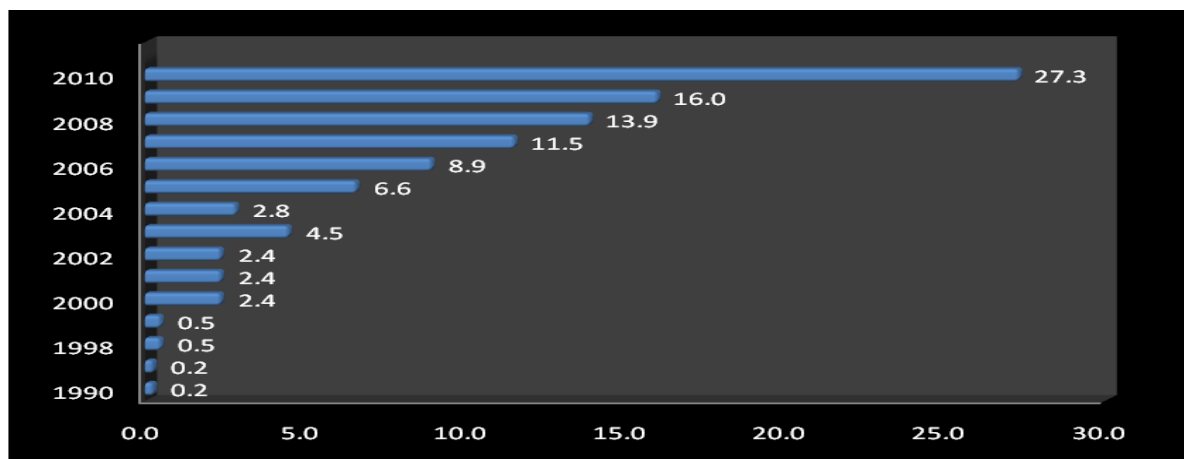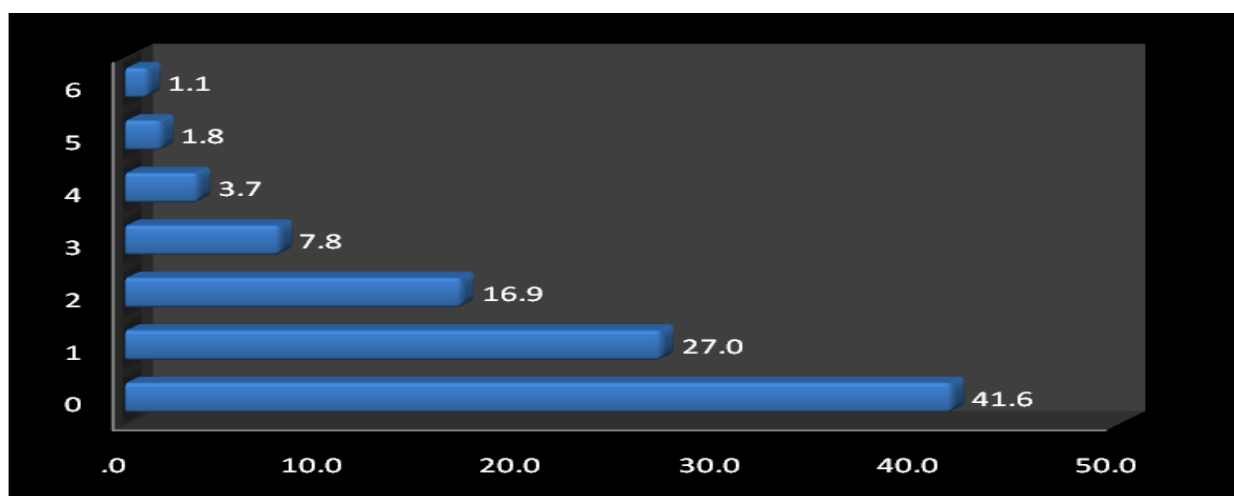
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Figure 1: Year of Business Establishment

Table 3: Distribution of Youth Entrepreneurs (15-35 years) in the Mobile Telephony Sector by Location and Sex

Location	Sex		Total
	Male	Female	
Tema Station (Accra)	26	12	38
Kwame Nkrumah Circle	215	18	233
Kaneshie	48	8	56
Medina	103	15	118
Total	**392**	**53**	**445**

Source: Fieldwork, February – March 2011

Figure 2: Number of Additional People Employed (Percentage)

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Classification and Structure of Mobile Telephony Businesses

Basically, six core mobile telephony business activities can be identified with varied operational scale or size. The key business activities identified within the sector include the following - sale of mobile phones (both new and used), mobile phone repairs, sale of mobile phone accessories (such as charges, ear piece, batteries, 'housing' etc.), sale of airtime or top-up units, mobile phone battery recharging, and decoding of mobile phones (see Table 1).

In terms of operational scale, three broad categorisations can be identified. Firstly, there are businesses that are operated within permanent structures, such as shops. These shops are either block structures or freight containers[5]. The main business activities operated within shops include mobile phone sales involving both new and used phones, mobile phone repairs, sale of accessories, sale of airtime or top-up-units including wholesale and retail, and mobile phone decoding. Within these structures, some business activities such as sale of mobile phones and accessories as well as sale of airtime are operated either on wholesale or retail bases.

The second group of businesses are those operated from non-permanent structures and four categorisation of this group can be distinguished – table top, glass box/cabinet[6], push trucks, and car booths. The key activities that are carried out on table-top structures are mobile phone sales, mobile phone repairs, sale of accessories, sale of airtime or top-up-units, mobile phone battery recharging and mobile phone decoding. Most of the businesses that are operated on table-top structures are conducted at the retail level. Sale of mobile phones and sale of mobile phone accessories are mainly carried out within glass boxes/cabinets while businesses that operate on push-trucks deals mainly in mobile phone accessories only. The third category involves those that operate under no structure at all and they display their products in hand. Activities that are hand-held include mobile phone sales (both new and used) and sale of top-up-units mainly at the retail level.

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[5] Freight containers are easily converted to make-shift shops for running businesses especially among small scale entrepreneurs in Ghana.

[6] Although glass cabinets and glass boxes are both mobile structures, glass cabinets are bulkier than glass boxes. This make it possible for the youth operating their business activities within glass boxes to display their products within the boxes and easily convey them from one location to another in their attempt to attract customers

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Table 4: Classification of Mobile Telephony Businesses by Operational Size or Scale

	Size of Operation					
	Permanent Structures	Non-permanent structures				No-structure
Activities	*Shop*	*Table top*	*Glass Cabinet/Box*	*Push truck*	*Car booth*	*Hand-held*
Sale of mobile phones (new)	X	X	X		X	X
Sale of mobile phones (used)	X	X	X			X
Mobile phone repairs	X	X				
Sale of mobile phone accessories	X	X	X	X		
Sale of top-up units (both wholesale and retail)	X	X				X
Recharging of mobile phone batteries		X				
Mobile phone decoding	X	X				

Source: Fieldwork, December to February, 2010

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Exploring Individual Cases

In order to explore the different aspects of entrepreneurial activities within the mobile telephony sector, the following individual cases are examined closely. In this section, details about how businesses were established and currently run, sales, competition and innovative strategies in response to the competitive nature of the sector are closely explored. Three cases are examined – Kwabena Asante who operates a mobile phone accessories business, Kwame Obeng who is only involved in selling mobile phones and Thomas Obeng who runs a mobile phone battery recharging business.

Kwabena Asante

Kwabena is a 31 year old gentleman who has completed Junior High School[7] (JHS). Although brought up in the Eastern region of Ghana, he migrated to Accra when he was 19 years. He is currently involved in selling mobile phone accessories such as batteries, chargers, ear piece, 'housing' and also does minor repairs – a skill that has been picked up after four years of involvement in the sector. Kwabena's world of work did not start in the mobile telephony sector; however, it reflects the 'vital conjectures' which many of the youth in the city of Accra navigate in their attempts at achieving responsible adulthoods (Langevang, 2008). Prior to entering into the mobile telephony business, Kwabena has been involved in petty trading of general household goods such as mirrors, perfumes, skin creams among others. Realising the need to learn a trade, Kwabena entered into apprenticeship to study carpentry and he stayed in the carpentry business for three years before entering the mobile telephony business. When I asked him why he left the carpentry business, his response reflects the view point generally held by many of the youth who operate businesses within the mobile telephony sector.

> *Why did to quit the carpentry business?*
> Well, with the carpentry work, you may have to wait a while before getting another contract after completing a previous one. Most of the time, we tend to go without business for long before getting another contract. However, with this one *(mobile phone business)*, the goods 'moves' *(sells)* every day.
>
> *Why mobile phone accessories?*

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[7] JHS represents nine years of schooling

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> Right now, everything depends on mobile phones and it's an important tool as well for communication. Since the mobile phones keep flooding the system and people don't easily purchase new phones, if you sell accessories, you can earn enough money from it to do whatever you want to do.

The high turnover rate is therefore a strong motivation for entering the sector. Kwabena was introduced into the business by his brother whom he worked with for a year. During this period, he was able to acquire tremendous amount of business knowledge about the sector, such as, where to get supplies, pricing, and more importantly customer service as he explained. This indicates the importance of social capital especially bonding social capital in business start-ups among many young entrepreneurs in the developing world (Turner and Nguyen, 2005). In addition, he was able to save GHC30 (€14) which he used to start-up his business. Kwabena is operating his business at Tema Lorry Station in central Accra and he explained to me that his choice of location is mainly due to market access as the station is one of the main transport terminals to several locations within the city. He explained to me that his sales vary depending on what he described at 'good' and 'bad' days. On a good day, he could make average sales of GHC 75 (€35.38) while on a not too good days, his average daily sales is GHC45 (€21.22).

In trying to be innovative, Kwabena has identified the need to take his products close to where people usually congregate, and then display his products on a push-truck in order to make the products visible to prospective buyers. The push-trucks are also helpful when it comes to moving products from one location to another. The mobility of the push-truck is good for efficient utilisation of space, which is critical to many youth entrepreneurs in Accra. As he does not have a fixed location, when the vehicles are coming to park, it becomes very easy to move the push-truck loaded with mobile phone accessories to locations that are not being occupied by vehicles. In as much as moving the push-truck is important, he explained to me that not every location within the lorry station is good for business. It is therefore important to take cognisance of market access in an attempt to move the push-trucks for vehicular access.

Still on innovative strategies, Kwabena no longer deals in mobile phone 'housing', but focuses mainly on batteries and charges as mobile phone 'housing' are not 'moving' products in recent times. When I asked him why, he explained that currently phones from China dominate the market unlike a few years back when phones from the European market used to dominate the market and the 'housing' on most of the Chinese phones are irreplaceable. Also, a sizeable

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number of people now use Chinese made phones, and it does not make economic sense to invest in 'housing' as they do not 'move' as fast as other products such as charges and batteries do. With the chargers and batteries as he indicated, fluctuations and frequent outages in power reduce the average life span of these products. This makes people replace their charges and batteries and thereby making sales on these products to be relatively better.

In responding to competition in his line of business, Kwabena makes sure that he always has in stock most of the available accessories in the market. This as he explained is to prevent the situation whereby customers will come to him and he will not be able to meet their demands. In such an occurrence, the customer will go elsewhere and is likely to go to the same place the next time around when he/she is in need of any product.

Kwame Obeng

Kwame was born in 1982 in the Ashanti Region of Ghana where he grew up until the age of 15 when he had his first experience of life in Accra. After completing his JHS examines, Kwame migrated to Accra for the first time in 1997 to stay with a family relation. While in Accra, and in order not to stay idle, he started on-street newspaper vending. Kwame was only 15 years at the time, but he explained to me that selling newspapers on the streets of Accra gave him a lot of marketing skills and experience which will later help in his mobile telephony business. Fortunately, his JHS results were good enough to secure him a place at a Senior High School[8] (SHS) and as a result, he migrated back to the Ashanti region to further his education. A vital conjecture (Langevang, 2008) happened in Kwame's life in the second year of his SHS programme. His father married another woman although the father did not divorce with his mother. As his father's attention shifted to his new family, financial support from his father for his education was not fought coming and he had to drop out of school.

After dropping out of school, he migrated to Accra in 1999 to settle with his brother who had established a business in the mobile telephony sector selling mobile phones and accessories. Kwame worked for his brother for a period of three years where he acquired tremendous knowledge about the mobile telephony business. After the three years, he quit working for his brother to set up his own business selling mobile phones. The idea of establishing his own business and the knowledge about the mobile telephony business sector came from his brother.

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[8] SHS level of the equivalent of 12 years of schooling.

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However, the initial capital for establishing the business mainly came from his father. Kwame started his business with the little amount of money he had been able to save whilst working for his brother in addition to an amount of GHC350 (€ 165) given to him by his father who promised to support the business with extra money when Kwame is able to run the business successfully. After successfully negotiating the start up process, Kwame's father supported the business with an additional GHC350 (€ 165) as promised. On both occasions when his father gave him money for the business, he was not made to pay back. This he explained was his father's way of winning back his support after he had to drop out of school due to lack of support from his father. At the initial stages, he ploughed back all profits into the business.

Currently, Kwame has been running the business at the Kwame Nkrumah Circle area over the past eight years and the total value of his current stock of phones is GHC 8000 (€3774). He obtains his supplies mainly from his brother now a wholesaler as well as a retailer who travels to Dubai, China, UAE and Continental Europe to import phones into the Ghanaian market.

Kwame's, daily sales figures are not static but varies depending on what he described as 'good' and 'bad' days. On a typical good day, he is able to make average daily sales of about GHC900 (€425) with a profit margin of about GHC180 (€85) and on days when the market is not too good, he is able to make sales of about GHC175 (€83). The variation in sales figures as he explained are because the value of the phones is not uniform. On 'good' days when he is able to sell a few of the more valuable phones which goes for between GHC300 (€142) to GHC500 (€236) his daily sales figures goes up significantly and vice versa.

More recently, Kwame's sales figures compared to previously have reduced due to the increasing number of young people who are entering the business as he explained. The competition is occurring both in the sector of business and in the area he runs his business as the area is has now become a cluster for mobile telephony businesses in Accra. When I asked him how he is keeping himself in business, Kwame explained the need to be innovative and truthful in order to maintain and increase his customer base.

> *How do you keep up with competition in your area of business?*
> In order to be competitive, I have to be innovative and truthful to my customers. This business is all about customers, how you keep or maintain your customers. If you follow this principle, no matter where you go they *(customers)* will follow you.

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> *What innovations have you introduced into the business in recent times to keep yourself in business?*
> I have introduced a guarantee system for my customers. I give a one week guarantee on all phones bought from me. As you know, I did not produce these phones myself and at times when there are problems with some of the phones, I do not know. If a customer buys a phone from me and the phone develops a problem within the one week guarantee period I have to replace it for the customer. At times, some customers come a few days after the guarantee period had expired. When this happens in order to keep the customer, I will take the phone and give it to my repairer to repair and then give it back to the customer after it has been repaired.

Still order to remain competitive and stay in business, Kwame explained that staying in business is knowing which phone 'moves' or sells. At the moment, he no longer buys a lot of the more expensive phones as there has been a shift in demand to the relatively less expensive phones. As he needs to recycle his investment as quickly as possible to stay competitive, buying the relatively less expensive phones which 'moves' faster has become the best option for Kwame.

When I asked him what his main challenge is he did not mention the lack of funds as most businesses often allude to, but rather his main challenge is the sun which affects the life span of his products. As he had to make his products visible to prospective buyers, Kwame operates from a transparent glass cabinet under an umbrella along the main Kwame Nkrumah Cirlce to Kokomlemle road. The glass cabinet retains heat which affects the life span of his products. In order to overcome this challenge especially in the short run, he wet's a cotton duster which he uses to prevent or reduce the intensity of the heat on the glass cabinet. As he does not operate from a sheltered premise, the rains also serves as a major challenge to Kwame as he periodically had to prevent water from the onrushing rains whenever it pours from getting his phones wet.

Kwame's future plan is to save enough money from his current operations in order to become a major importer of mobile phones into the Ghanaian market. He intends following the footsteps of his brother by running a wholesale mobile telephony business although he still harbours ambitions of furthering his education. Whether Kwame will be able to achieve these two ambitions is difficult to say especially considering the fact that he is also fathering a child at present and taking care of this child as well the mother.

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Thomas Ofori

Ofori is 23 years old who has been cohabiting with his partner for close to a year now. He was born in the Central region of Ghana where he completed JHS and migrated to Accra in 2005. Currently, Ofori is running a mobile phone and battery recharging business at Kaneshie Lorry Station and sells airtime along side, albeit this is not his core activity as he explained.

Ofori's start-up ideas came after working for someone in a similar business for a period of two years. During this period he was able to save an amount of GHC 100 (€47) which he used to start-up his own business. As he explained to me, business was quite slow at the initial stages as he tried to negotiate the start-up process. In recent times however, the business has peaked-up and he is able to recharge on the average 25 mobile phones and 35 mobile phone batteries. He charges GHC 0.50 (€0.24) per phone or battery recharged and on the average, he is able to make GHC30 (€14) per day out of which he is able to save GHC20 (€9) daily.

Ofori started on a small table but has been able to expand and now operates on a much bigger table that accommodates fifteen recharging equipments and power sources for conventional recharging. He uses the conventional plug-in cords in addition to single docking stations that are connected to power bases. The phone batteries are then placed on the electric powered docking station until the battery is fully recharged.

In securing the current location from which he operates, Ofori contacted a friend who introduced him to the manager of the lorry station. At the moment, Ofori pays GHC32 (€15) per year to the Accra Metropolitan Authority (AMA) as business operating permit[9], GHC3 (€1.41) for every three months to the Ghana Revenue Authority and a daily license of GHC0.40 (€0.19) to the authorities at the lorry station in which he runs his business. Added to the above, he also pays GHC1 (€0.47) daily to a land owner who supplies him with electric power for running his business. He works 6 day per week (Monday to Saturday) and usually starts from 06.00am to 20.00pam.

When I asked him to comment about competition in his area of business and the location, he indicated his customer service approach and price subsidisation strategy that make him competitive.

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[9] As required by the Business License Ordinance, persons engaged or intending to engage in any calling, business, occupation or profession within the limits of the city shall pay an annual license fee to the AMA.

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What can you say about competition as you are not the only one involved in this type of business in this area?

There is a lot of competition here, but as you know for every business to succeed customer service is very important. My business is all about my customers and I treat them very well in order for them to always come back.

What have you done or are doing specifically that makes the customers come to you and not to other people?
At times people come to me and if they do not have enough money to recharge their phones, I consider by giving them subsidies. In such circumstances, I charge them GHC 0.40 (€0.19) or GHC 0.30 (€0.14) instead of the usual GHC 0.50 (€0.23) in order for them to come to me next time around.

To avoid phone theft, Ofori, has introduced a system of coding all phones that are brought to him and he only shares these codes with the phone owners. For one to collect his/her phone after recharging, the phone owners must identify their phones by the codes that were initially given to them. This system is to prevent fraudsters from coming to lay claim to phones that do not belong to them.

I asked Ofori to tell me the good thing about his business and he stated in his response as follows:
The phone business has helped me a great deal. Had it not been mobile phones, I don't know what I will do; maybe I will be without a job.

Ofori's main challenge is when people bring in their phones and do not come back in good time to collect them after recharging. This as he explained holds up his money and also makes it risky for him to carry many phones especially at the close of day as he had to replace every phone that he loses in his possession.

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Discussion

The cases of the young people presented represent three key but contrasting entrepreneurial activities within the mobile telephony sector. While Kwabena runs mobile telephony accessories business, Kwame deals in mobile phones and Ofori runs a recharging business. The cases presented indicate that families and friend play important roles in terms of identifying opportunities and actual exploitation of such opportunities. Families and friends are major sources of business knowledge within the mobile telephony sector. The case of Kwame and Kwabena is particularly strong in this respect. Although Kwame demonstrated business inclination as indicated by engaging in newspaper vending at the age of 15 during his first experience in Accra, he practically got his knowledge about the mobile telephony business from his brother and the same applies to Kwabena.

The role of social capital as well as personal savings is identified to be very important as a source of capital for starting businesses among the youth. Bonding social capital (Turner, S., and Nguyen P. A. 2005) is particularly important in the case of Kwame who obtained most of his initial capital from his father in addition to his knowledge about the mobile telephony sector which he got from his brother. The case of Ofori and Kwabena on the other hand exemplifies the role of personal savings in business start-ups among the youth and this is consistent with Chigunta's (2006) study on youth enterprises in the informal sector in Zambia.

The cases presented give indication of both necessity-driven and opportunity-driven entrepreneurship present within businesses in the mobile telephony sector (Kelley et al., 2011). Although the case cannot be made as to which particular motive dominates, both motives are well represented. Kwabena's case for instance typifies opportunity-driven motive for running a business as he was pulled into the mobile telephony business due to his identification of an opportunity that will bring about improvement in his income. As he stated, *'since the mobile phones keep flooding the system (market) and people don't easily purchase new phones, if you sell accessories, you can earn enough money from it to do whatever you want to do'.* Kwabena identified an opportunity not only within the mobile telephony sector as whole, but with a activity within the sector that he identified to be marketable and that which will bring about an increase his income. Ofori's case on the other hand represents necessity-driven entrepreneurship as he is pushed into the mobile telephony business because he needed a source of income. As he stated that *'had it not been mobile phones, I don't know what I will do; maybe I will be without a job'.*

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Sales figures in the cases presented vary significantly between activities. For instance, Ofori from his recharging business makes on the average GHC 30 (€14) daily while Kwame who deals in mobile phones on retail bases makes on the average between GHC 175 (€83)- 900 (€425) depending on whether his is having a bad or a good day respectively. Kwabena makes on the average between GHC 75 (€35.38) to GHC 45 (€21.22) also depending on whether he is having a good or bad day respectively. Clearly, although individual effort may have a role in influencing sale values, the role of the kind of business activity involved in by the youth is crucial in terms of sales.

Competition in the mobile telephony sector is very strong mainly due to the increasing number of young people who continue to establish businesses in the sector. Starting a business in the sector does not involve tremendous amount of capital to start. With as little as GHC30 (€15), one can easily start either an airtime or accessories business. In order to stay in business, business owners have to be innovative. Innovativeness is therefore identified to be very important for business survival. Among the youth, being innovative does not necessarily involve coming out with new products. Rather, it involves clearly developing and implementing strategies for keeping existing as well as attracting new customers. As Ofori stated, *'my business is all about my customers and I treat them very well in order for them to always come back'.* Clearly, the youth identify their businesses with their customers and this is seen as a business survival strategy. In line with this strategy, the young business owners have to be innovative to keep their businesses going. Some of these innovative strategies that have been adopted involves coming out with a guarantees scheme to customers as indicated by the case of Kwame and giving out price subsidies, not necessarily to all customers, but rather to customers who for various reasons including finance are unable to afford the full cost of services as Ofori's case demonstrate.

Conclusion

This paper has explored the variety of youth entrepreneurial activities in the mobile telephony sector by focusing on four localities in the city of Accra. A diversity of business activities operating at different scales or sizes has been identified and these include sale of mobile phones (both new and used), mobile phone repairs, sale of mobile phone accessories, such as charges, ear piece, batteries, and 'housing', sale of airtime or top-up units, mobile phone battery recharging, and decoding of mobile phones. These activities are often run at different scales which could be from permanent structures, mobile structures and non-permanent structures.

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In starting their businesses, the role of social capital especially with regard to acquiring the source of capital as well as equipping the young entrepreneurs with the requisite knowledge about the mobile telephony sector is very important. Sales for the young entrepreneurs are identified to be influenced mainly by the kind businesses involved in by the youth.

The mobile telephony business sector is observed to be undergoing rapid changes especially with regard to the increasing number of people who are establishing businesses in the sector. This phenomenon is making the sector very competitive and the youth are correspondingly responding to these changes in many strategic and innovative ways such as identifying businesses with their customers, introduction of guarantees on products purchased and being truthful to customers. In as much as these strategies have been adopted to keep up with the increasing changes within the sector, the immediate focus of these young entrepreneurs is however to either maintain or attract new customers. To the young entrepreneurs, staying competitive is all to do with their customers.

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